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C O N F I D E N T I A L SECTION 01 OF 05 NEW DELHI 000554

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [ETRD](#) [ELTN](#) [MOPS](#) [KNNP](#) [IN](#) [PK](#)

SUBJECT: MEA UPBEAT ON INDO-PAK DESPITE PUNDITS' NAYSAYING

REF: A. NEW DELHI 163

[1](#)B. 05 NEW DELHI 9771

[1](#)C. 05 NEW DELHI 7874

Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

[1](#)1. (C) Summary: In a January 25 meeting with PolCouns, MEA Joint Secretary (Pakistan, Afghanistan, Iran) Dilip Sinha provided a positive read-out of the January 17-18 Third Round of the Indo-Pak Composite Dialogue talks, and of Indo-Pak relations generally, despite the pall cast by the cross-border terrorist attacks in late 2005, frustration over Musharraf's continued public kite flying on Kashmir, and a public squabble after the GOP alleged Indian rabble-rousing in Balochistan. A determination to keep up the direction, if not the momentum, of the dialogue prevailed, and Foreign Secretaries Shyam Saran and Riaz Mohammad Khan discussed

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several new confidence building measures amid what the MEA characterized as a genuinely positive interpersonal relationship. Coincidentally, the current round of Indo-Pak talks was launched while their respective cricket teams were facing off in Lahore. Indian press and pundits, viewing the interaction through the lens of last year's terrorism upsurge and the perception of minimal tangible progress, had a more pessimistic outlook, but this resilient and complicated relationship has proven itself to be more a tortoise than a hare, and the race to normalized relations is a marathon, not a sprint. The PM must be pleased. End Summary.

MEA Publicly and Privately Pleased

¶2. (C) Sinha reported that Foreign Secretary Shyam Saran's upbeat remarks to Indian media following the talks accurately reflected the tenor of the discussions -- their spin value, he continued, was in countering inaccurately negative Indian press reporting. Although major substantive differences remain, Saran and Pakistani Foreign Secretary Riaz Mohammad Khan quickly developed a warm interpersonal relationship that had been lacking between Saran and Khan's predecessor, according to Sinha.

¶3. (C) The only "serious, but not acrimonious" period during the talks were "two or three minutes" when discussion turned to the crisis in Balochistan, Sinha continued. "Even talk on J&K was generally amenable," with Saran favorably comparing the degree of democratic self-governance in J&K with those in Pakistani Kashmir and the Northern Areas, he told us. Saran in his public statement also pointed to Indian Kashmir's representative and democratic institutions of government and took a relatively mild swipe with his "hope that there are similar representative entities on the Pakistani side, whether it relates to Pakistan-occupied Kashmir, Gilgit or Baltistan."

Strategic View Allows Delhi to Absorb (Some) Negatives

¶4. (C) Sinha compared Delhi's relations with Islamabad to those with Tehran: "We are not sure how they will mature, or when, or what setbacks will arise, but it is better to engage (with Iran) than to disengage. The same logic applies to Pakistan. We can tolerate some ISI activity and terrorism, and hope relations mellow over time and improve." (Sinha's other remarks on Iran will be reported Septel.)

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But Terrorism Remains the Wild Card

¶5. (C) Delhi is unwilling (and politically unable) to give Islamabad a free pass on cross-border terrorism, however. Speaking to the press after the meetings, Saran noted that "despite assurances at the highest levels, there has been no end to cross-border terrorism from Pakistan. Our ability to carry forward the peace process will be deeply impacted unless it happens in an atmosphere free of violence." We have heard almost the same point privately.

CBMs: Incremental Steps Toward Normalization

¶6. (U) The Foreign Secretaries reported progress on several CBMs, including:

-- continued discussion on an Indian proposal on "Reducing Risk of Nuclear Accidents or Unauthorized Use of Nuclear Weapons"

-- concluding the Pakistan-proposed agreement on the prevention of incidents at sea

-- a new Indian proposal that both sides abjure building new defense works and fortifications along the LoC

-- exploring modalities for the conduct of monthly flag meetings between local Commanders at selected sectors along the LoC

-- new Pakistani proposals to declare South Asia an "anti-ballistic missile free zone" and to refrain from deploying Army strike formations near the borders

-- notification that the GOI intends to extend the Khokhrapar-Munnabao rail link to the Sufi pilgrimage site at Ajmer

¶7. (C) Sinha reported that the Pakistani delegation nixed India's proposed cross-LoC bus service between Kargil and Skardu, but he was unconcerned and said India would continue to raise it. He also predicted that this round of talks would produce some additional CBMs on trade and travel without substantial progress on territorial issues (Sir Creek and the Siachen Glacier), adding "that is to be expected, those issues will be the hardest to solve." Expect positive movement, MEA Director (Pakistan) Jeeva Sagar separately added, but not "breakthroughs."

MEA Favors Indo-Pak Diplomacy Off the Front Page

¶8. (C) The diminishing number of front-page column-inches devoted to Indo-Pak affairs in Indian press is, for Sinha, a positive development. "It shows that relations are normalizing -- interest is lower, tensions are lower, expectations are lower" (and therefore easier to manage). Keeping diplomacy out of the spotlight allows the bureaucracies to focus on tackling the real issues with fewer distractions.

¶9. (C) In this light, Musharraf's ongoing public musings on
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Indo-Pak and Kashmir complicate diplomacy for the GOI (Refs A and B). "Coming out in public with these statements gives the (political) Opposition the opportunity to criticize them even before the diplomats or the PM have digested them," Sagar complained, which results in all Musharraf's suggestions becoming non-starters upon arrival. "This is not to say we would agree to them, but going to the media before providing these ideas through diplomatic channels ensures they will be unacceptable," he concluded.

Balochistan Boil: Why India Wants it Cooled

¶10. (C) Sinha dismissed Pakistani media allegations that Delhi is supporting trouble in Balochistan, underlining that "no disturbance anywhere in the region is good for India." He also noted that the proposed Iran-Pakistan-India natural gas pipeline would transit Balochistan, and continued conflict would put the massive investment at risk. "Pakistan must recognize the need to talk to the people of Balochistan, just as we are talking to the people of Jammu and Kashmir," Sinha reflected. He also pointed out that it took the Pakistan Army two years to subdue the last Baloch uprising (in the 1970s).

Baglihar in the Background

¶11. (C) Sagar reported that the Indian and Pakistani teams working on the Baglihar Dam issue (Ref C) will meet with the Neutral Expert in the first half of February, and he expects a decision within the next few months. As in prior discussions, Sagar confirmed the GOI would abide by whatever decision is reached.

Is the Back-Channel Still Online?

¶12. (C) Delhi diplomatic gossip suggests (based on Pakistani sources) that a back-channel meeting between SK Lambah and Tariq Aziz was to have taken place this week, but Lambah has been consistently tight-lipped. When asked, our MEA interlocutors tell us they are not kept in the loop on this dialogue and complain that its utility is compromised by leaks from Islamabad.

Jaswant Singh Plans Pilgrimage, Not Politics

¶13. (C) Sinha confirmed that BJP leader and former Foreign Minister Jaswant Singh's planned early February trip to a Hindu shrine in Balochistan would be for a religious pilgrimage and not to conduct politics. Singh's yatra is slated to cross into Sindh overland, but in private vehicles and not via the Munnabao-Khokhrapar border post expected to open next month. Sinha reported that President Musharraf over-ruled the Pakistani Foreign Ministry's initial rejection of Singh's application. Like BJP leader Advani, Sinha will reportedly also visit Karachi.

Indo-Pak Analysts Paint Gloomier Picture

¶14. (C) In contrast to the Foreign Ministry's generally positive read-out, Delhi-based Indo-Pak watchers have been

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more pessimistic on the start of the new round of talks. As a group, they pointed to Indian press reports of the meetings as being mostly negative and focused on Saran's statements on continuing Pakistani inaction against terrorism and Khan's comments that India's alleged "interference" in Balochistan threatened the peace process. However, their forecasts for 2006 tracked with the MEA's prediction that 2006 will see more positive developments on Indo-Pak -- but few or no headline-shattering breakthroughs -- as long as the level of terrorism attributed to Islamabad remains under control.

Overstated Reports of Pall Cast by Terror Upsurge

¶15. (C) According to Jawaharlal Nehru University Professor on Indo-Pak relations Dr. Savita Pandey, the "obvious tension" caused by terrorism cast a pall over the talks. "The Diwali bombings created an atmosphere of fear," Pandey explained, "which raised serious questions about whether the peace process should go forward in light of Pakistan's support for terrorism." (COMMENT: The "obvious tension" appears to be greatly overstated, according to the MEA's accounts. End Comment.) If terrorism did not sour the Foreign Secretaries' talks, it retains the power to grind down the pace of progress -- during upticks in terrorism metrics, New Delhi "puts up the terrorism shield" to slow progress on the peace process, even for short periods of time, observed Sushant Sareen, Editor of Public Opinion Trends Analyses and officer of the South Asia Free Media Association.

CBMs Still a Hit with Indian Public ...

¶16. (C) Professor Pandey noted, however, that Indians are still "euphoric" over greater people-to-people contacts, and Sagar told us that, absent spectacular terror attacks "that are publicly traced to Pakistan," the Indian people will continue to provide political momentum for additional CBMs, "especially on travel and trade." (NOTE: Regarding people-to-people interaction, Saran underlined in his January 18 briefing that the Indian High Commission in Islamabad issued over 90,000 visits to Pakistanis in 2005, a 50% jump over 2004. END NOTE.)

... But Expect No Miracles

¶17. (C) Observer Research Foundation's Wilson John indicated that the peace process has reached a "normal and expected" plateau after last year's hype over summits, cricket, bus routes, and disaster diplomacy. PM Singh is "committed to the process as far as he can stretch," but John predicted that India will continue to focus on CBMs instead of more thorny territorial issues such as the Siachen Glacier or Kashmir. Sareen agreed that the process has generated enough momentum to keep both sides working for progress, since neither India nor Pakistan want to see a reverse of the

process. "No one wants to return to the old paradigm of Indo-Pak relations," he commented. Sareen and Pandey noted that most of the CBMs on defense issues are intended to assure the international audience that their relationship is normalizing.

Concern that Islamabad May Pull Plug on Dialogue

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¶18. (C) Sareen worried that the momentum could slow down further if Pakistan reacts to the lack of progress on the "core issues (i.e. Kashmir) by stalling on CBMs. If Pakistan believes that they are not getting anywhere on the issues that matter most, he warned, Islamabad may not see any reason to go forward on trade, travel routes and other people-to-people contacts. Sareen pointed to the Pakistani Parliament's recent decision not to ratify the South Asia Free Trade Agreement (SAFTA) and its publicly linking SAFTA to Kashmir as emblematic of the GOP's ability to hold trade ransom to movement on Kashmir. He predicted that there is currently sufficient momentum, but questioned whether a slowdown of CBMs could eventually stall the entire process.

¶19. (C) In this vein, Saran's public description of CBMs as "integral to the process of finding a final solution to the Jammu and Kashmir issue" can be viewed as an offer of talking points to his Pakistani counterpart to help bolster domestic support for the slow, but progressive, Composite Dialogue Process. MEA Director Sagar reiterated this theme to us, stressing that there are still strong constituencies on both sides that are not ready to accept "the most likely final outcome on Kashmir -- ratification of the status quo," and expanded use of CBMs is necessary to reduce these constituencies to allow the political leaders to take that final step.

Comment: Slow and Steady Runs the Race

¶20. (C) The MEA's upbeat read-out of the slow-but-positive progress in Indo-Pak relations befits India, the status quo power that is reaping political benefits as it feeds its growing peace constituency. The Composite Dialogue suffered because of the Diwali bomb blasts; although the peace process and its vested interests demonstrate the capacity to persevere, that capacity is not limitless. The current round of talks is slated to continue through July and will likely yield progress on CBMs -- notably on defense, trade, and travel -- but the trust needed to tackle the tough territorial issues (Sir Creek, Siachen glacier, and Kashmir) remains insufficient so far. Some of the shine is off the Indo-Pak relationship, and terror is the reason. If the spring snow melt yields a significant uptick in terror -- and Indian public opinion will be the de facto determinant of what is "significant" -- we may see antipathy grow to antagonism despite the PM's best intentions. That said, the MEA and the Indian political leadership acknowledge that the growing "peace constituency" in India, if fed a steady diet of CBMs, provides the GOI needed momentum for continued interaction and incremental progress. The fact that peace is good politics is our strongest asset in urging the GOI to sustain the process of gradual rapprochement. End Comment.

¶21. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
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